

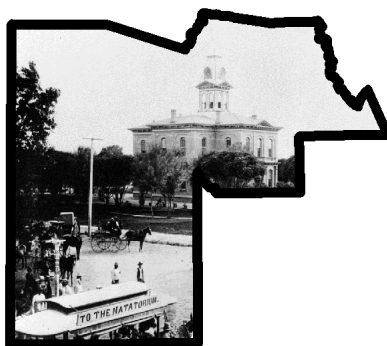
MARICOPA COUNTY

3RD QUARTER FY 2000-01 FINANCIAL & PERSONNEL RESULTS



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Maricopa County Financial & Personnel Results Report 3rd Quarter FY 2000-01
Prepared by the Office of Management & Budget



MARICOPA COUNTY OFFICIALS

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DEPUTY COUNTY ADMINISTRATOR

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INTRODUCTION

Achieving Countywide strategic performance results, increasing employee job satisfaction and providing a better quality of life for employees, requires successful financial and personnel resource accountability. The 3rd Quarter Financial and Personnel Results Report for FY 2000-01 provides management with the tools necessary to achieve organization objectives and measurable results in order to assess emerging personnel trends and make informed decisions. Accomplishing personnel strategies and improving accountability processes requires successful management of funded positions, administration and control of staffing resources and financial and personnel decisionmaking based upon accurate and timely data. The Office of Management and Budget (OMB) works to provide this information and ensure full funding for all positions through the Funded Position Policy and the Lump Sum Budgeting Guidelines used in preparation of the annual budget.

Maricopa County's financial and personnel resource strategies focus on the recruitment and retention of productive employees. Retaining highly productive and accomplished employees requires alignment of employee performance with a personal commitment and cooperation in attaining Countywide objectives. Crucial elements of these processes include:

- Compensation, including wages, benefits and employee leave programs.
- Development of employee relations programs.
- Ongoing development and maintenance of programs, processes, services, resources, and training to enhance the health, morale, productivity, and organizational knowledge of employees Countywide.

Information concerning departments with small numbers of employees (less than 25) should be used with extreme caution. A change of one or two vacancies, positions or terminations reflects a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

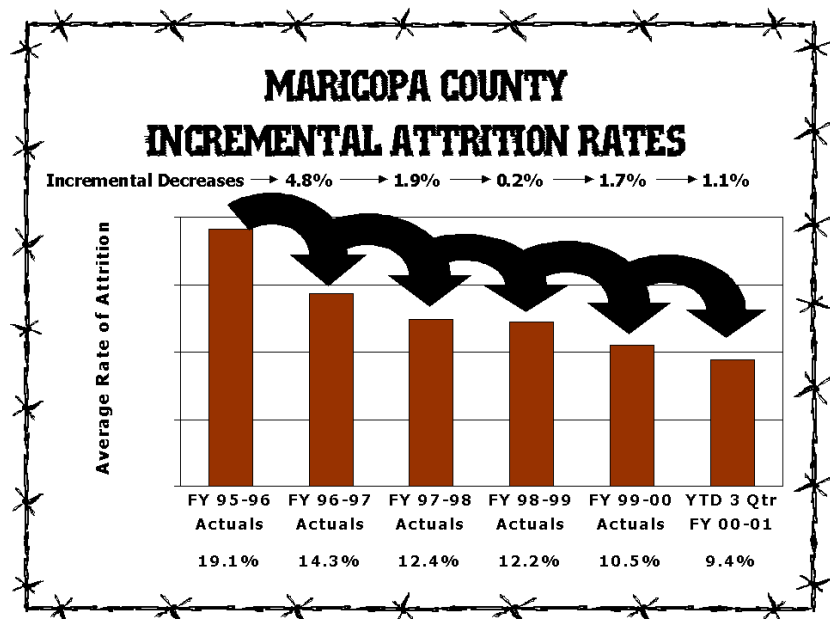
Any questions you may have regarding this report or the position control process may be addressed to Maricopa County, Office of Management and Budget, 301 West Jefferson, Suite 1070, Phoenix, Arizona 85003. You may also call this office at (602) 506-7280.



THIRD QUARTER HIGHLIGHTS

Average YTD 3rd quarter FY 2000-01 Countywide Attrition¹, or turnover, is at an all-time low of 9.4%² down 1.1 basis points from last fiscal year. Maricopa County's drop in attrition may be attributed to such factors as pay equity, recruitment and retention strategies, continued growth in the local economy, etc. Significant strides have been made in reducing attrition while continuing to maintain a competitive edge in the local labor market. Achieving these business results allows the County to focus its resources on other issues in order to increase the quality of life for its employees and citizens alike.

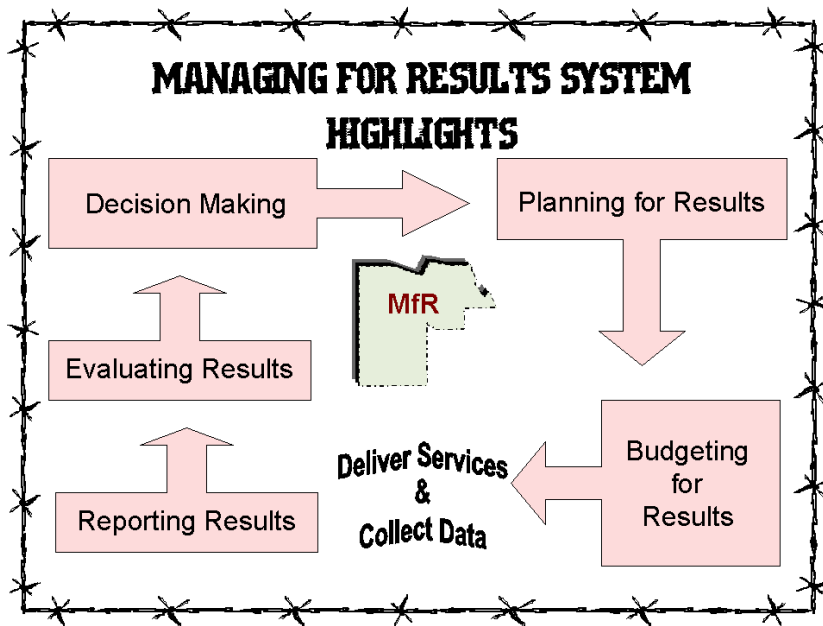
As demonstrated on the chart at right, *average annual* rates of attrition and incremental decreases in attrition rates have continued to drop since FY 1995-96, when tracking began.



Maricopa County leadership continues to make a conscious effort to stem employee attrition while focusing on providing results for customers. The successful decline in attrition had its roots during FY 1995-96. This was the first time employee satisfaction surveys were put in effect and a new leave plan implemented. Management began to focus on accountability to the citizens and employees. Today, these efforts have evolved into Maricopa County's Managing for Results (MfR) System.

¹ The formula used to calculate Maricopa County's attrition rates compares the number of vacant positions to total authorized positions.

² Maricopa County attrition rates for FY 2000-01 do not include the Maricopa Integrated Health System (MIHS). The MIHS personnel tracking system uses full-time equivalents, (FTE's), instead of positions, causing a skewing of attrition rates. Including MIHS for information purposes, average Countywide attrition YTD 3rd quarter FY 2000-01 would be 11.3%.



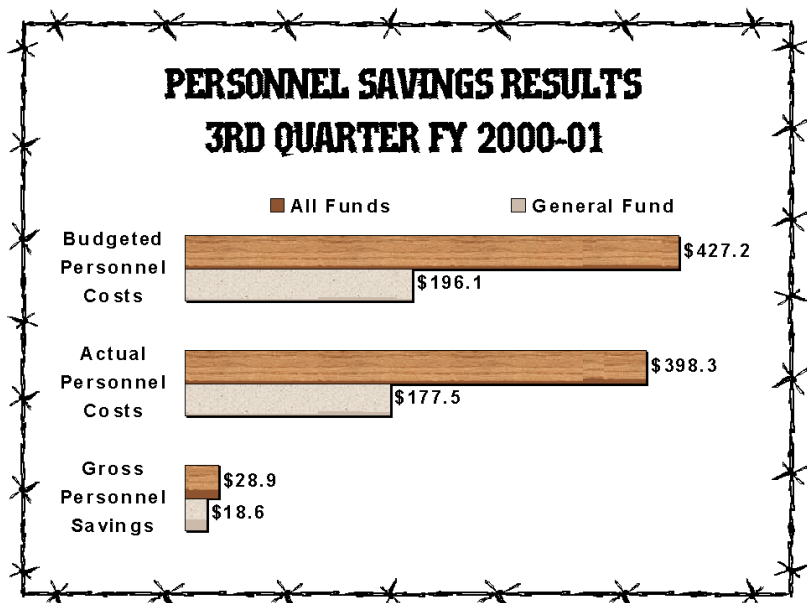
Maricopa County departments have participated in the *Planning for Results* stage of MfR and are now immersed in *Budgeting for Results*. (All of the stages are shown on the chart at left.)

Planning for Results provides a strategic direction and purpose so that employees can readily determine how their work, actions and behaviors support the strategic direction and business success of the

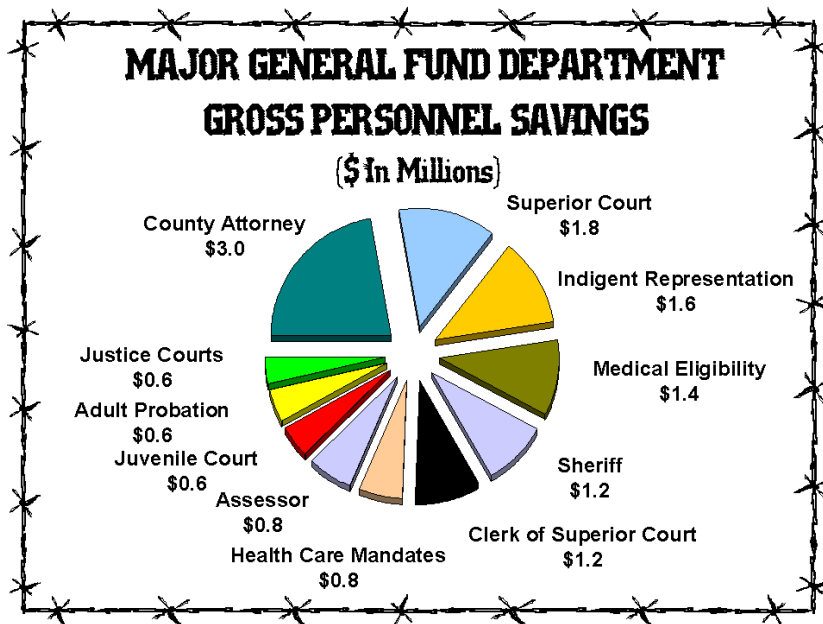
County as a whole. In *Planning for Results*, current and future trends are examined in terms of how they may affect the business. Strategic goals and operational results are developed to best manage anticipated challenges. Results are projected based on demand and internal capacity. Additional information regarding the impact of MfR may be found in the New Directions section of this document.

Maricopa County's 3rd quarter FY 2000-01 gross actual *personnel savings*³ for all funds (excluding grants) of \$28.9 million represents a 6.8% savings over budget. General Fund 3rd quarter gross actual personnel savings of \$18.6 million represents a 9.5% savings over budget.

The chart at right compares 3rd quarter FY 2000-01 personnel savings results for all funds (excluding grants) to those of the General Fund.

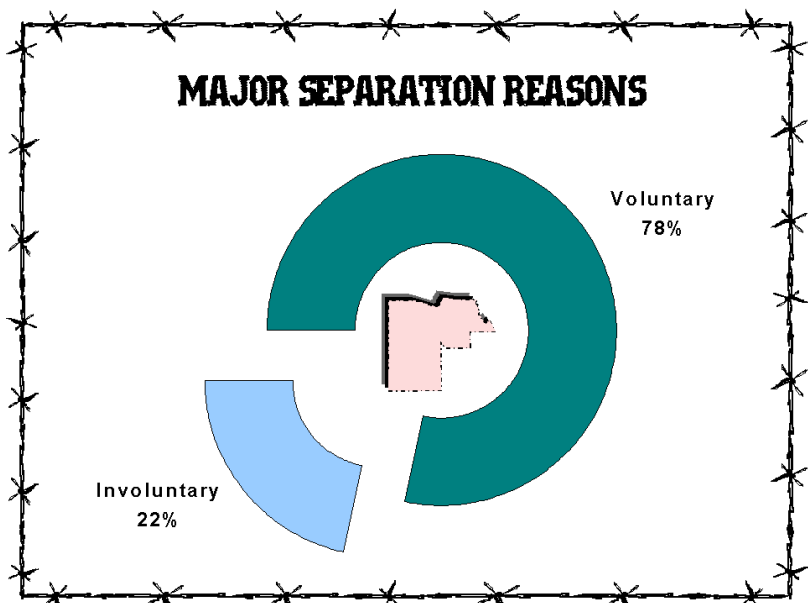


³ Personnel savings are grouped by fund in this document. The General Fund is a general operating fund set-up to account for the resources and uses of general governmental operations of the County. Taxes provide most of these resources. Enterprise funds are accounted for in a method similar to private business enterprise, where user fees are intended to recover expenditures. Special Revenue Funds are restricted to use by statute and local policy. The personnel savings section of this document places emphasis upon General Fund personnel savings. This fund has the greatest impact upon the citizens of Maricopa County. All other sections of this document which make reference to personnel savings include all funds (excluding grants).



The chart at left shows General Fund departments with the highest YTD 3rd quarter FY 2000-01 gross actual personnel savings.

Separations, or the number of employees leaving the County, are classified as either voluntary or involuntary, as shown on the chart at right. Separation reasons provide management with an opportunity to assess and resolve staffing issues such as employee retention and impacts to customer service. The higher the voluntary separation rates the higher the financial and operational impact to County departments. Involuntary separation increases may reflect personnel training, recruitment or performance issues.



Valuable experience is lost when employee separations increase. This results in costly recruitment and training, while adversely impacting customer confidence. Maricopa County's emphasis on employee satisfaction is geared to stem the flow of quality individuals leaving its employ.

Maricopa County's staffing objectives focus on organizational performance relative to strategic goals. This performance oriented focus enables the County to place a high value on employees while providing quality customer directed services. Attaining these goals requires successful recruiting and retention strategies.



Personnel Costs & Savings

3rd quarter FY 2000-01 actual personnel costs for ***all funds***⁴ total \$398.3 million and gross actual *personnel savings* for all funds total \$28.9 million. Gross actual personnel savings represent 6.8% of total personnel costs. The table below compares actual personnel savings to budget.

MARICOPA COUNTY 3RD QUARTER YEAR-TO-DATE FY 2000-01 PERSONNEL SAVINGS - ALL FUNDS						
Total Budget Personnel Costs	Actual Personnel Costs	Gross Actual Personnel Savings	% Gross Actual Savings/ Total Budget	Budgeted Personnel Savings	Net Actual Savings (Above Budget)	% Net Actual Savings/ Budgeted Savings
\$427,217,218	\$398,319,234	\$28,897,984	6.8%	\$14,219,517	\$14,678,467	103.2%

The chart at right provides a glimpse of the financial impact individual departments have on the total gross personnel savings of \$28.9 million. The 10 major departments shown represent \$21.6 million or 74.7% of the total gross personnel savings, which leaves \$7.3 million divided amongst the remaining 49 departments.



Personnel savings result when positions remain vacant, the actual pay of a position's incumbent is lower than budgeted, or when compensation plan funding remains unused.

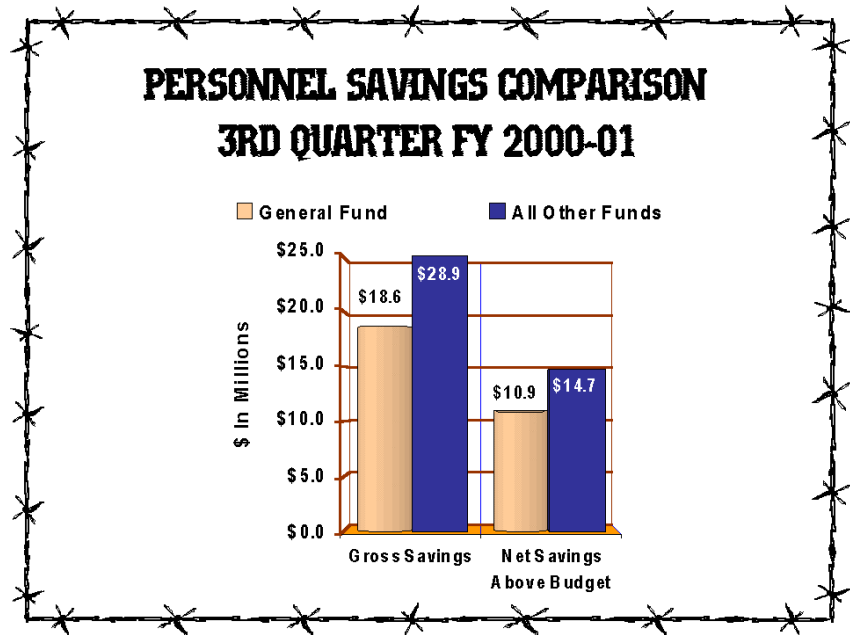
⁴ "All funds" as referenced in this document refers to all funds excluding grants.

MARICOPA COUNTY FINANCIAL AND PERSONNEL RESULTS REPORT 3RD QUARTER FY 2000-01

The table below breaks-out the major departmental savings as a percent of the total gross personnel savings. 74.7% of total gross personnel savings occurred in 10 of a total 59 departments.

3RD QUARTER FY 2000-01 MAJOR GROSS PERSONNEL SAVINGS FOR ALL FUNDS		
Department	Gross Personnel Savings	% of Total Personnel Savings
Sheriff's Office	\$4.0 Million	13.8%
County Attorney	\$3.5 Million	12.1%
Superior Court	\$2.6 Million	9.0%
Transportation	\$2.3 Million	8.0%
Clerk of Court	\$1.9 Million	6.6%
Indigent Representative	\$1.7 Million	5.9%
Correctional Health	\$1.5 Million	5.2%
Adult Probation	\$1.4 Million	4.8%
Medical Eligibility	\$1.4 Million	4.8%
Juvenile Court	\$1.3 Million	4.5%

The chart at right provides a comparison of gross personnel savings to net savings above budget for the General Fund vs. all funds.



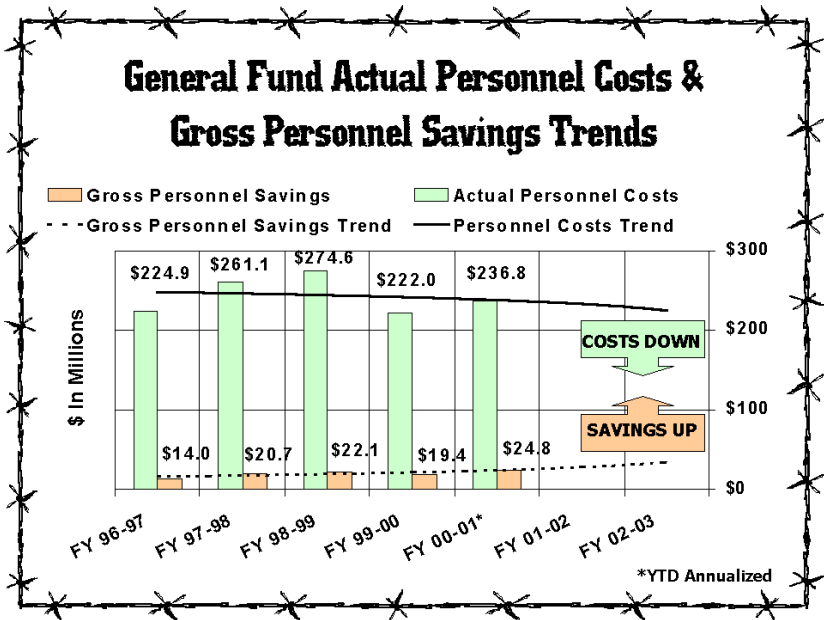
3rd quarter FY 2000-01 actual **General Fund** personnel costs total \$177.6 million and gross actual *personnel savings* for the General Fund total \$18.6 million. Gross actual personnel savings represent 10.5% of actual personnel costs, whereas the chart below compares actual personnel savings to budget. The \$10.9 million in net actual savings (above budget) equates to a 5.6% variance to total budgeted personnel costs.

MARICOPA COUNTY 3RD QUARTER YEAR-TO-DATE FY 2000-01 PERSONNEL SAVINGS GENERAL FUND						
Total Budget Personnel Costs	Actual Personnel Costs	Gross Actual Personnel Savings	% Gross Actual Savings/ Total Budget	Budgeted Personnel Savings	Net Actual Savings (Above Budget)	% Net Actual Savings/ Budgeted Savings
\$196,132,465	\$177,561,712	\$18,570,753	9.5%	\$7,589,739	\$10,981,014	144.7%

MARICOPA COUNTY FINANCIAL AND PERSONNEL RESULTS REPORT 3RD QUARTER FY 2000-01

The chart at right shows trends in General Fund actual personnel costs and gross personnel savings. General Fund actual personnel costs continue on a downward trend as the personnel savings trend continues to increase.

The table below shows 3rd quarter YTD FY 2000-01 General Fund personnel savings by department, excluding General Government.



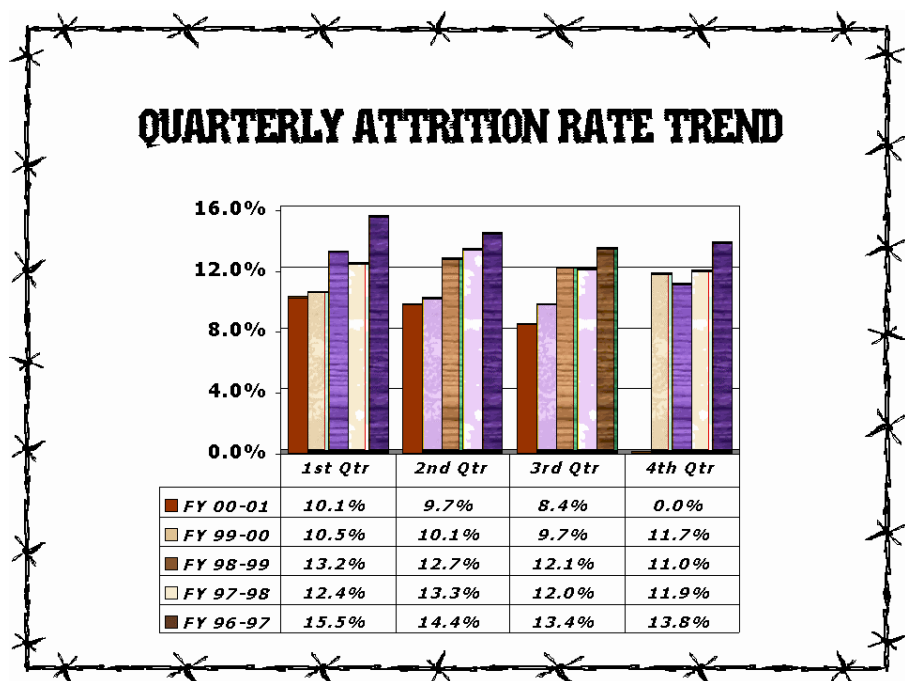
AGENCY NAME	GROSS BUDGET PERSONNEL COSTS	ACTUAL PERSONNEL COSTS	GROSS PERSONNEL SAVINGS	BUDGETED PERSONNEL SAVINGS	NET ACTUAL PERSONNEL SAVINGS	GROSS ACTUAL VARIANCE TO BUDGET
ADULT PROBATION	7,622,756	7,059,369	563,387	401,522	161,865	7.4%
ANIMAL CONTROL SERVICES	91,508	-	91,508	-	91,508	100.0%
ASSESSOR	9,440,217	8,656,426	783,791	499,079	284,712	8.3%
BOARD OF SUPERVISORS CLERK	265,448	233,378	32,070	-	32,070	12.1%
BOARD OF SUPERVISORS DISTRICT 1	162,939	158,583	4,356	1,615	2,741	2.7%
BOARD OF SUPERVISORS DISTRICT 2	144,312	137,503	6,809	-	6,809	4.7%
BOARD OF SUPERVISORS DISTRICT 3	159,756	144,854	14,902	-	14,902	9.3%
BOARD OF SUPERVISORS DISTRICT 4	145,175	131,080	14,095	-	14,095	9.7%
BOARD OF SUPERVISORS DISTRICT 5	153,686	143,269	10,417	-	10,417	6.8%
CLERK OF SUPERIOR COURT	13,815,067	12,601,135	1,213,932	595,456	618,476	8.8%
CONSTABLES	1,078,094	1,032,113	45,981	11,653	34,328	4.3%
COUNTY ADMINISTRATION OFFICE	816,928	606,675	210,253	24,930	185,323	25.7%
COUNTY ATTORNEY	30,079,948	27,081,908	2,998,040	1,002,471	1,995,569	10.0%
COUNTY CALL CENTER	878,164	742,938	135,226	44,888	90,338	15.4%
DEPARTMENT OF FINANCE	1,354,029	1,157,325	196,704	67,068	129,636	14.5%
ELECTIONS	2,776,851	2,507,531	269,320	9,213	260,107	9.7%
EMERGENCY MANAGEMENT	86,509	71,501	15,008	-	15,008	17.3%
ENVIRONMENTAL SERVICES	353,452	344,841	8,611	20,171	(11,560)	2.4%
FACILITIES MANAGEMENT	5,870,255	5,448,789	421,466	298,562	122,904	7.2%
HEALTH CARE MANDATES	1,835,393	1,051,072	784,321	57,472	726,849	42.7%
HUMAN RESOURCES	2,357,579	2,176,351	181,228	41,312	139,916	7.7%
HUMAN SERVICES	270,780	282,483	(11,703)	-	(11,703)	(4.3%)
INDIGENT REPRESENTATION	19,646,784	18,045,254	1,601,530	704,216	897,314	8.2%
INTERNAL AUDIT	645,820	578,509	67,311	7,497	59,814	10.4%
JUDICIAL MANDATES	1,601,012	1,243,459	357,553	49,967	307,586	22.3%
JUSTICE COURTS	9,060,921	8,570,148	490,773	337,500	153,273	5.4%
JUVENILE COURT	7,156,183	6,514,876	641,307	208,602	432,705	9.0%
MANAGEMENT & BUDGET	1,044,663	952,001	92,662	17,376	75,286	8.9%
MATERIALS MANAGEMENT	981,133	891,527	89,606	43,959	45,647	9.1%
MEDICAL ELIGIBILITY	7,858,821	6,508,555	1,350,266	441,653	908,613	17.2%
MEDICAL EXAMINER	2,369,128	2,050,294	318,834	154,510	164,324	13.5%
OFFICE OF THE CIO	2,884,177	2,621,818	262,359	100,103	162,256	9.1%
PLANNING & TRAINING	442,644	349,294	93,350	3,621	89,729	21.1%
PUBLIC FIDUCIARY	1,167,136	1,064,811	102,325	28,197	74,128	8.8%
PUBLIC HEALTH	3,394,247	3,067,494	326,753	152,101	174,652	9.6%
RECORDER	1,035,400	825,364	210,036	30,411	179,625	20.3%
RECREATION SERVICES	856,865	779,492	77,373	28,168	49,205	9.0%
SHERIFF	26,538,451	25,317,904	1,220,547	1,030,753	189,794	4.6%
SUPERINTENDENT OF SCHOOLS	1,086,083	1,030,349	55,734	-	55,734	5.1%
SUPERIOR COURT	25,164,196	23,352,118	1,812,078	1,099,060	713,018	7.2%
TREASURER	1,977,581	1,803,201	174,380	76,633	97,747	8.8%
	194,670,091	177,335,592	17,334,499	7,589,739	9,744,760	8.9%



ATTRITION

Maricopa County's rate of attrition, or turnover, year-to-date as of March 31, 2001 was 9.4%⁵. Actual 3rd quarter attrition was 8.4%, the lowest quarterly rate⁶ of attrition in the past five years. A marked decrease in attrition Countywide has occurred since FY 1995-96. The formula used to calculate Maricopa County's attrition rates compares the number of vacant positions to total authorized positions⁷.

As demonstrated on the chart at right, 3rd quarter attrition rates have been the lowest rates every quarter of each fiscal year. This is primarily due to the filling of vacant positions during the 3rd quarter, thus, offsetting increases in budgeted positions effective as of the 1st quarter of each year.



Maricopa County's retention continues to improve in this price-competitive market. Continuing declines in attrition may be attributed to a push towards competitive employee remuneration and employee satisfaction. The County's retention strategies offset the affects of continued low unemployment coupled with sustained increases in population that tend to increase competition.

⁵ Attrition calculations do not include the Maricopa Integrated Health System due to their change from position count methodology to full time equivalents.

⁶ Also equal to the 3rd quarter rate of attrition during FY 99-00.

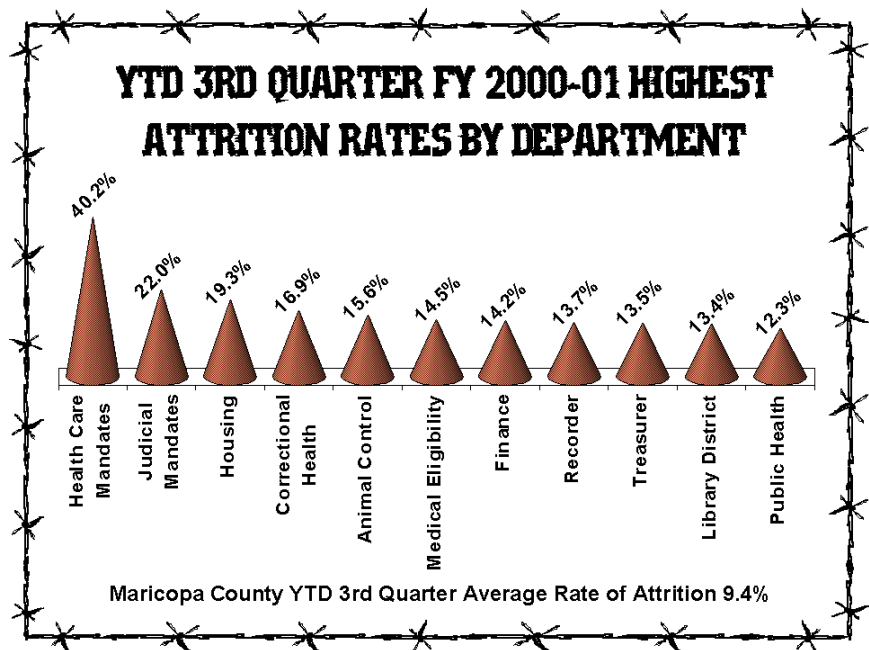
⁷ Total authorized positions represent the total positions authorized through the budget process.

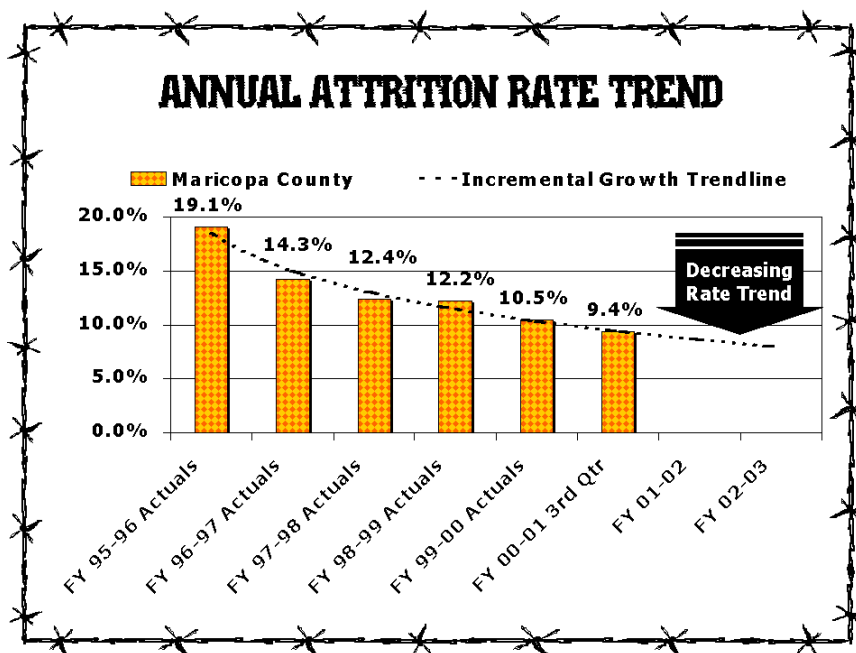
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The most significant results, the decline in employee attrition over the past five years, show *average* annual attrition rates falling from a high of 19.1% in FY 1995-96 to a low of 9.4% YTD FY 2000-01. This reflects a reduction of 9.7 basis points. Maricopa County departments with average annual attrition at or higher than the 9.4% average are compared to the FY 1999-00 average attrition on the table below, including basis point reductions or increases in attrition.

Department	FY 99-00 Avg. Attrition	3 rd Qtr. FY 00-01 Avg. Attrition	Lower(Higher)
Library District	25.3%	13.4%	11.9
Medical Eligibility	20.9%	14.5%	6.4
Finance	20.2%	14.2%	6.0
Treasurer	14.8%	13.5%	1.3
Public Health	13.5%	12.3%	1.2
Call Center	13.3%	8.1%	4.2
Recorder	13.2%	13.7%	(0.5)
Facilities Management	10.7%	6.8%	3.9
Superior Court	10.5%	7.7%	2.8
Sheriff	10.5%	7.9%	2.6
Indigent Representation	10.3%	9.9%	0.4
Clerk of Superior Court	10.2%	12.1%	(1.9)
Transportation	10.2%	11.1%	(0.9)
Planning & Infrastructure	9.9%	11.7%	(1.8)
Environmental Services	9.6%	7.4%	2.2
Medical Examiner	9.4%	8.2%	2.2

Departments with more than 25 employees, showing the highest rates of attrition over the year-to-date 3rd quarter average attrition rate of 9.4% are shown on the chart at right. Issues are being addressed to reduce the relatively high turnover in these departments.





As shown on the chart at left, Maricopa County's average annual attrition rate trend (including the 3rd quarter of FY 2000-01) has declined by over 50% since FY 1995-96. The decreasing rates of attrition are attributed to increases in the number of positions actively recruited combined with reductions in vacant positions, increases in the number of positions authorized in the budget process, combined

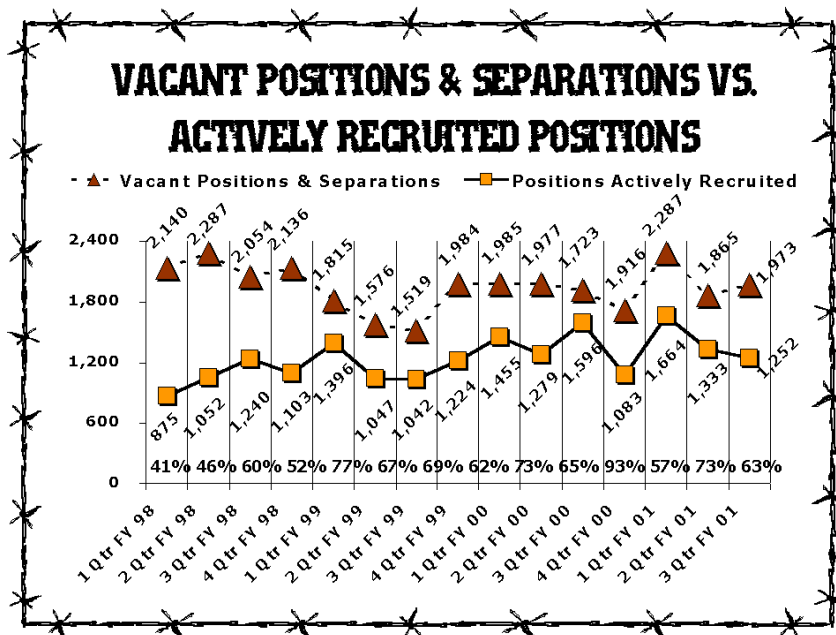
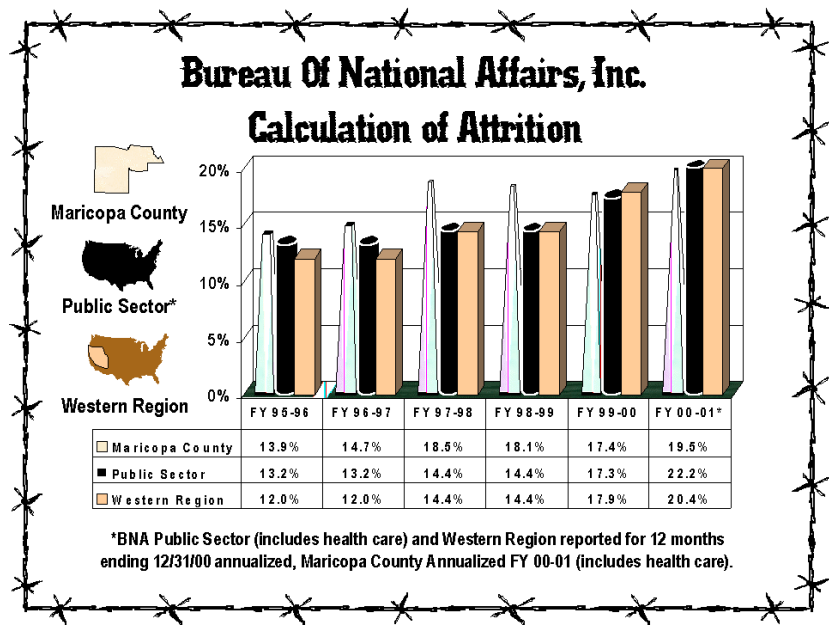
with Countywide efforts to recruit and retain productive employees.

Attrition may be directly related to employee satisfaction. Employee issues are addressed through employee satisfaction survey results annually. Maricopa County continues to place an emphasis on employee compensation through market equity. Salary surveys are conducted to ensure the County is competitive in the local labor market, to name but one of the many ongoing initiatives to retain capable and responsible staff.

Maricopa County utilizes another source and methodology in calculating attrition in order to measure itself against other comparable employers. The source is the Bureau of National Affairs, Inc., (BNA). BNA's formula differs from Maricopa County's calculation of attrition because BNA compares the number of *separations* to the average number of regular *positions filled* and annualized. BNA turnover rates do not include reductions-in-force. BNA surveys human resource and employee relations executives representing organizations throughout the United States.

The March 8, 2001 edition of the BNA, Inc., *Bulletin To Management*, states that employee turnover is beginning to reflect the impact of a slowing economy. Non-manufacturing businesses, which were hardest hit by recent surges in turnover, got the greatest respite.

The chart at right provides a glimpse of the attrition nationwide, as compared to Maricopa County⁸. The BNA calculated County rate of attrition is substantially lower than the rest of the nation. This may be an indication of the County's push towards competitive employee remuneration combined with employee satisfaction.



The chart at left shows the number of positions vacant at the end of the 3rd quarter, including vacancies occurring during the quarter, and separations occurring throughout the quarter, as compared to the total number of positions actively recruited during the quarter. The percent of positions recruited is also reflected on the chart. This data assists management in determining the impact of recruitment efforts on attrition.

Attrition is an indication of how well employers hold on to their employees. Maricopa County continues to examine employee issues in combination with recruitment and retention efforts in order to stem the tide of attrition.

⁸ Attrition calculations do include the Maricopa Integrated Health System in order to compare like elements.

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MARICOPA COUNTY ATTRITION RATE CALCULATIONS BY DEPARTMENT

(Excluding General Government and Maricopa Integrated Health System)

AGENCY NAME	3rd Qtr FY 2000-01	YTD 3rd Qtr FY 2000-01	BNA
	COUNTY ATTRITION	COUNTY ATTRITION	ATTRITION/ TURNOVER
ADULT PROBATION	8.54%	8.16%	13.35%
ANIMAL CONTROL SERVICES	10.49%	15.60%	42.71%
ASSESSOR	9.17%	8.46%	13.02%
BOARD OF SUPERVISORS CLERK	0.00%	4.76%	0.00%
BOARD OF SUPERVISORS DISTRICT 1	0.00%	0.00%	0.00%
BOARD OF SUPERVISORS DISTRICT 2	33.33%	11.11%	66.67%
BOARD OF SUPERVISORS DISTRICT 3	0.00%	0.00%	0.00%
BOARD OF SUPERVISORS DISTRICT 4	0.00%	0.00%	0.00%
BOARD OF SUPERVISORS DISTRICT 5	0.00%	8.33%	0.00%
CLERK OF SUPERIOR COURT	11.18%	12.10%	23.11%
CONSTABLES	5.05%	2.22%	13.79%
CORRECTIONAL HEALTH	3.33%	16.91%	31.24%
COUNTY ADMINISTRATION OFFICE	9.06%	16.67%	10.26%
COUNTY ATTORNEY	15.79%	8.39%	22.80%
COUNTY CALL CENTER	9.09%	8.08%	35.56%
CRIMINAL JUSTICE FACILITIES	0.00%	13.33%	0.00%
DEPARTMENT OF FINANCE	0.00%	14.18%	12.50%
ELECTIONS	18.75%	4.94%	17.95%
EMERGENCY MANAGEMENT	7.14%	2.38%	20.51%
ENVIRONMENTAL SERVICES	7.61%	7.39%	14.64%
EQUIPMENT SERVICES	3.17%	2.65%	13.11%
FACILITIES MANAGEMENT	5.42%	6.85%	12.50%
FLOOD CONTROL DISTRICT	5.38%	5.38%	6.95%
HEALTH CARE MANDATES	44.87%	40.17%	71.32%
HOUSING	18.75%	19.27%	35.90%
HUMAN RESOURCES	6.94%	6.60%	5.97%
HUMAN SERVICES	3.70%	7.90%	25.37%
INDIGENT REPRESENTATION	9.02%	9.92%	15.23%
INTEGRATED CRIMINAL JUSTICE INFORMATION SYSTEM	11.11%	3.70%	0.00%
INTERNAL AUDIT	6.62%	8.33%	8.89%
JUDICIAL MANDATES	17.07%	21.95%	19.61%
JUSTICE COURTS	6.25%	5.76%	14.66%
JUVENILE PROBATION	4.39%	6.57%	12.06%
LIBRARY DISTRICT	14.18%	13.43%	20.87%
MANAGEMENT & BUDGET	10.53%	14.04%	31.37%
MATERIALS MANAGEMENT	5.26%	5.26%	11.11%
MEDICAL ELIGIBILITY	8.22%	14.47%	19.90%
MEDICAL EXAMINER	8.62%	8.22%	20.13%
OFFICE OF THE CIO	6.15%	6.15%	10.93%
PLANNING & INFRASTRUCTURE	5.71%	11.75%	13.47%
PLANNING & TRAINING	18.18%	12.12%	0.00%
PUBLIC FIDUCIARY	8.82%	8.82%	12.90%
PUBLIC HEALTH	12.29%	12.25%	23.51%
RECORDER	16.90%	13.73%	29.38%
RECREATION SERVICES	10.00%	10.37%	26.34%
RESEARCH & REPORTING	33.33%	18.15%	44.44%
RISK MANAGEMENT	15.00%	5.00%	23.53%
SHERIFF	6.18%	7.91%	15.45%
SOLID WASTE GENERAL	8.33%	11.11%	0.00%
STADIUM DISTRICT MLB	0.00%	0.00%	33.33%
SUPERINTENDENT OF SCHOOLS	6.67%	6.67%	28.57%
SUPERIOR COURT	7.73%	7.66%	22.35%
TELECOMMUNICATIONS	7.14%	9.52%	13.68%
TRANSPORTATION	10.49%	11.08%	10.41%
TREASURER	14.06%	13.54%	12.12%
TOTALS	8.44%	9.43%	17.63%



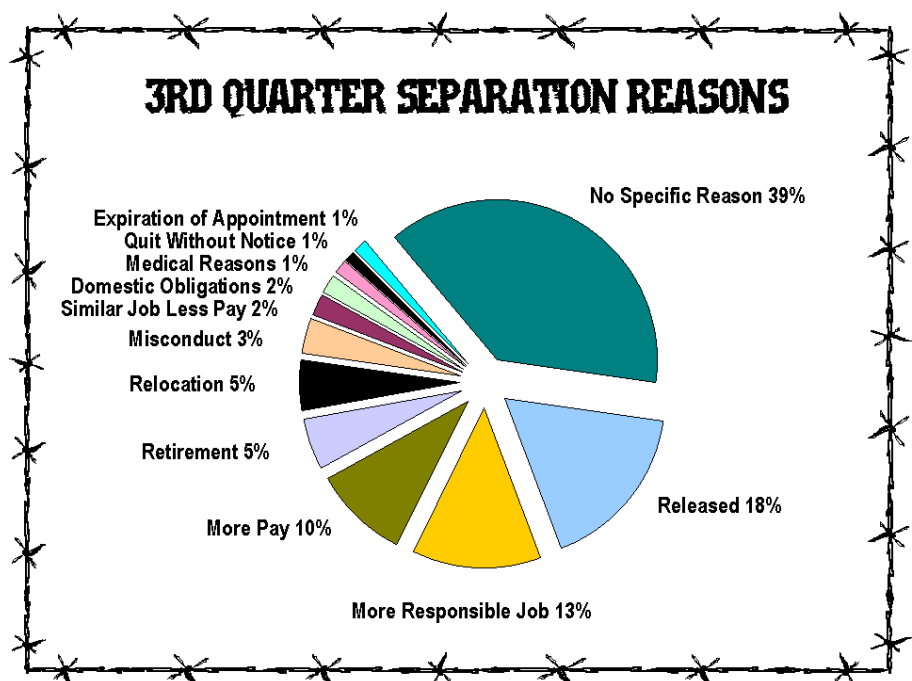
EMPLOYEE RETENTION

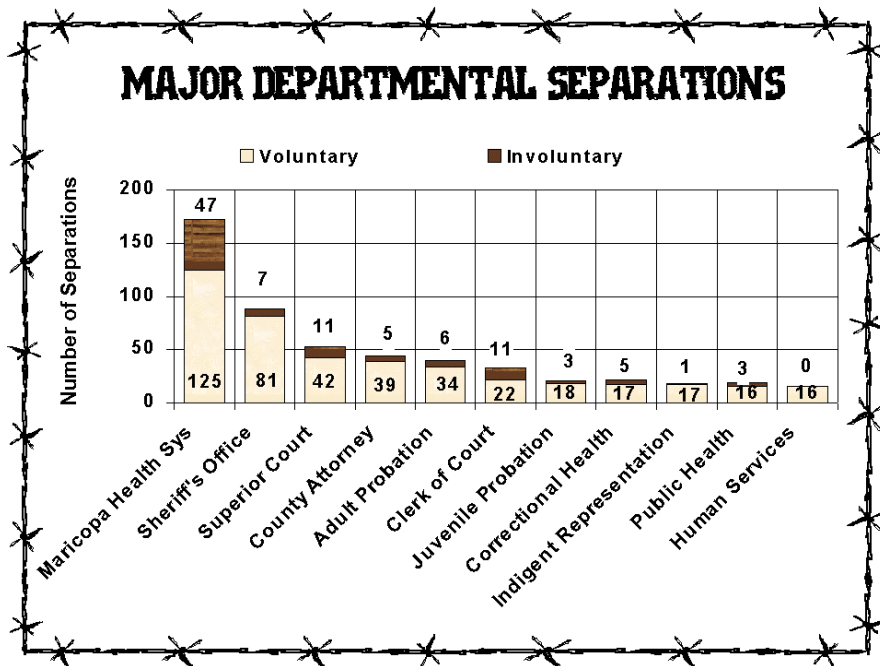
Maricopa County strives to align employee performance with a personal commitment and cooperation in achieving and maintaining Countywide strategic goals. This retention strategy is geared to stem the flow of quality individuals leaving its employ. Valuable experience is lost when employee separations increase. This results in costly recruitment and training, while adversely impacting customer confidence.

Separations impose significant financial and operational impacts to County departments. Examples include lost productivity, increased recruitment activity, additional training time and cost, reductions in the level of customer service, and reduced employee morale due to additional demands placed upon existing employees that assume extra workloads. Emphasis is placed upon voluntary separations due to the substantial impact on attrition, employee morale, and customer service

Separation information is vital to improving the quality of working life as well as solving attrition issues. Separations remain a key indicator of employee satisfaction and provide management with an opportunity to assess and resolve staffing issues.

Maricopa County strives to maintain a highly competitive stance in the labor marketplace today. Evaluating the County's personnel retention programs through measurable performance results in such areas as employee separations plays a crucial role in identifying employee needs. The chart at right provides the top separation reasons given by employees upon separation during the 3rd quarter.





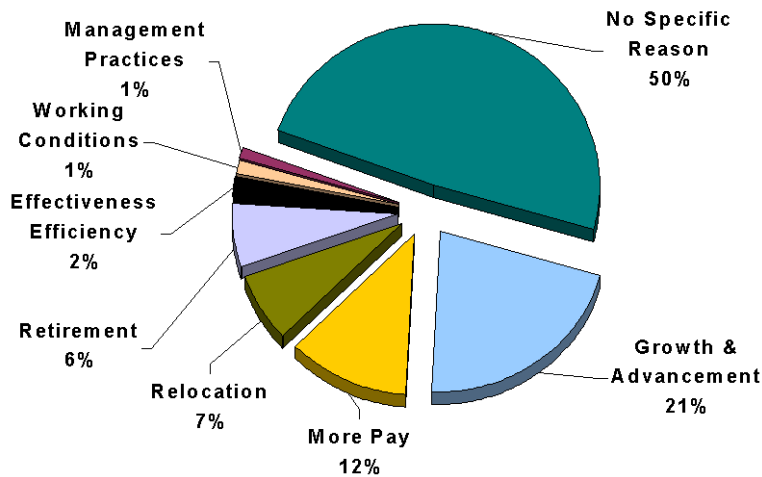
3rd quarter FY 2000-01 separations total 673 or 4.9% of current positions filled. The departments showing the largest number of separations are provided on the chart at left, and are divided into the two separation categories, voluntary and involuntary.

Separations play a major role in identifying employee needs. By examining separation reasons, management is able to address current issues, increase employee satisfaction and reduce the number of employees leaving the County voluntarily. Information provided by separating employees is a critical factor in improving the work environment, quality of work generated and customer satisfaction.

The chart at right provides the top separation reasons given by employees after separating through the exit interview process, as performed by the County's Research and Reporting department.



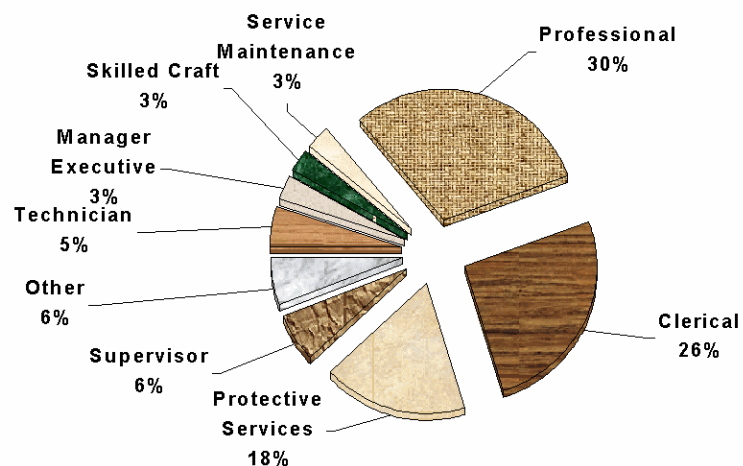
3RD QUARTER DEPARTMENT SUBMITTED VOLUNTARY SEPARATION REASONS



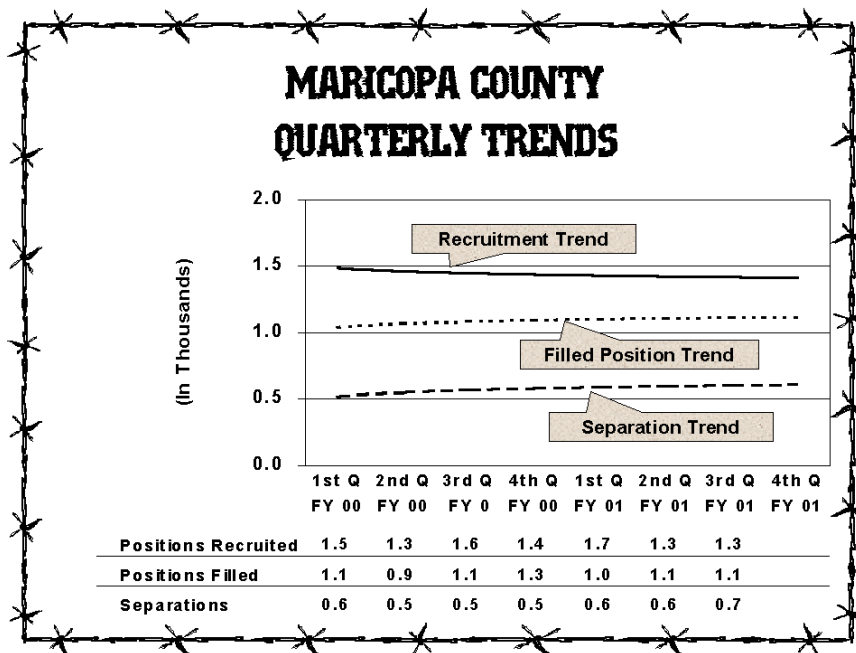
The chart on the previous page can be compared to the chart at left, which represents department submitted separation reasons. At the time of separation, employees provide department management with a separation reason.

Separation reasons, as shown on both charts, represent voluntary separations only.

EXIT INTERVIEW RESULTS SEPARATIONS BY JOB CLASSIFICATION



The chart at right indicates the job classification of separating employees, as obtained through exit interviews.



Another measure of retention success is demonstrated through the trend results provided on the chart at left. The separation trend and filled position trend are relatively flat for the last two quarters of FY 2000-01. The recruitment trend shows a slight decrease. Recruitment efforts may also play a significant role in filling newly created positions.

It is incumbent upon management to analyze employee separation reasons in order to develop retention strategies. Successful employee retention results require knowledge of employee issues, knowledge of the competition in the local job market and a management team that is equipped to assess emerging personnel trends in order to promote a climate where employees are provided personal and career growth opportunities.



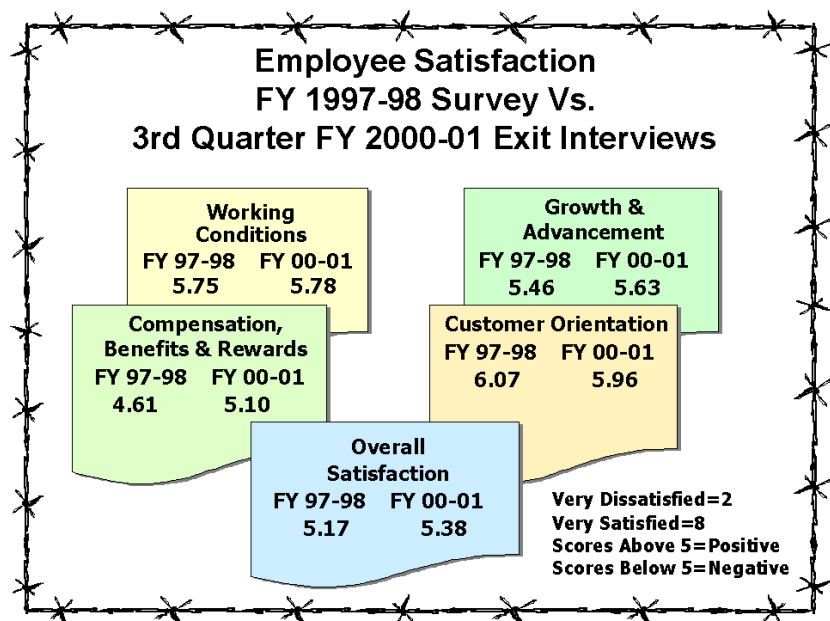
New Directions

Maricopa County's Managing for Results⁹ (MfR) process is currently in the *Budgeting for Results* stage. This stage provides the County with clearly identified financial plans, resource allocations and service demands through the performance budgeting process.

Paramount to the MfR process is the incorporation of strategic plan measures into employee Performance Management Plans. A new Performance Management System is being readied, which links employee plans directly to the department strategic plans. The system will provide a new rating system that focuses on results as a strategic part of the process. A training roll-out plan is being designed to align employee performance, evaluation and rewards to results. Using measurable program and process results uniformly across all departments provides management with the tools necessary for making informed decisions regarding the use of its resources. It also provides a platform for determining our stance in the local labor market. Forms and training are scheduled to be available to prepare managers to implement the new process at the beginning of their department's new performance cycles. The County expects the new process to be fully implemented in departments by June 30, 2002.

The County is moving forward in resolving retention and other employee issues, as addressed in the chart at right comparing FY 1997-98 Employee Satisfaction Survey results to the 3rd quarter FY 2000-01 Exit Interviews.

All areas of employee satisfaction have increased, with the exception of customer orientation. Overall employee satisfaction scores from annual surveys and quarterly exit interviews are on the rise.



⁹ Maricopa County's management system that focuses upon achieving results for their customers.